

REQUEST FOR QUALIFICATIONS STATEMENTS (RFQ)
ELECTRIC AND NATURAL GAS REGULATORY SERVICES
ISSUED JULY 25, 2016

Pursuant to the provisions of the Council of the City of New Orleans' Motion M-16-266, dated July 14, 2016, regarding the need for legal and technical consultants to advise and represent the Council on electric and gas utility matters, and in accordance with paragraph 1 of Rule 45 of the Code of the Council of the City of New Orleans, The City Council is seeking Statements of Qualifications from qualified legal and technical professionals to perform such work for consecutive one year calendar periods for up to five (5) years.

Purpose

The Council for the City of New Orleans (Council), in accordance with the New Orleans Home Rule Charter, and the Louisiana Constitution, acts as retail regulator for electric and gas utility services in Orleans Parish, Louisiana. It regulates Entergy New Orleans, Inc. (ENO) in the provision of electric and natural gas services in Orleans Parish. ENO is a wholly owned subsidiary of Entergy Corporation (Entergy), a multistate holding company.

The Council Utilities, Cable, Telecommunications, and Technology Committee (UCTTC) serves as the Council Committee responsible for making recommendations to the full Council on all electric and natural gas regulatory issues. The Council Utilities Regulatory Office (CURO), under the direction and supervision of the CURO's Chief of Staff, is the administrative office of the Council responsible for providing in-house staff to the Council on these same issues and works with the legal and technical consultants retained by the Council to carry out and fulfill the Council's regulatory responsibilities. The contributions of in-house CURO staff reduces the UCTTC's reliance and dependence on outside legal and technical regulatory consultants.

As a retail regulator, the Council has exclusive jurisdiction over the rates, reliability, and terms and conditions of service in Orleans Parish. In addition to its own conduct of administrative hearings and local regulatory process(es), the Council is also an active participant in numerous Federal Energy Regulatory Commission (FERC) dockets. It is also an active participant in Midcontinent Independent Transmission System Operator (MISO)-hosted proceedings, and is a party in federal court cases. As the need arises, it actively participates in matters before Congress and in state court, to advocate for its utility regulatory policy on New Orleans-specific issues.

Qualifications Statement Content

All responses should include:

- I. A complete “consultant services questionnaire” using the format that is attached. Any subcontractors proposed to be used must also submit a complete questionnaire that must be attached to the prime firm’s questionnaire.

- II. Professional experience and resumes of partners, principals and employees in the firm who will be responsible for, and actively involved in, the provision of professional services for the Council (Key Personnel), including the appropriate evidence of accreditation, certification and licensing in their profession, and
 - A. For legal consultants:
 1. Specific case listings of trial and regulatory experience before federal, local, and state authorities in electric and gas utility matters; and
 2. experience advocating or consulting regarding legislative and regulatory policy before federal, state, and local authorities in electric and gas utility matters; and

 - B. For engineering consultants:
 1. Expertise and/or experience in the following areas: utility engineering and system planning; transmission delivery and planning; transmission reliability criteria; engineering-economic analyses; economic/financial feasibility studies; utility financing; regulatory accounting; electric fuel and natural gas adjustment clauses; utility franchise matters; revenue requirements, functionalization, cost allocation, rate design and cost of service development for utility ratemaking; utility appraisals and acquisitions; and customer service regulations.
 2. A specific case listing of expert testimony and the matters testified thereto that were sponsored before federal and state courts, agencies, and regulatory bodies in electric and natural gas matters.

- III. Description of relevant experience and expertise of each of the Key Personnel listed in paragraph II hereinabove including, but not limited to:
 - A. Ratemaking, cost allocation, audit, utility mergers and acquisitions, inter-affiliate transactions, and transmission access proceedings, including any arising before the FERC pursuant to the Federal Power Act, Natural Gas Act, and Natural Gas Policy Act, and before local and state regulatory authorities;

- B. Electric utility resource and transmission planning, management auditing, rate design, cost of service regulations and reliability of service issues, finance and accounting matters; including litigation and expert testimony before the FERC, state and local regulatory authorities;
- C. Power purchase agreements, Feed in Tariffs, Renewable Portfolio Standards, NERC-related work including delegation agreements, interconnection and operation agreements, and agreements between the operating subsidiaries of Registered Holding Companies, including the principles of generation and transmission reserve sharing, reserve equalization, energy pool dispatch and the cost allocation principles employed in support thereof;
- D. Regional Transmission Organizations (RTO's), Independent System Operators (ISO's), Independent Coordination of Transmission (ICT) arrangements, and regional power pools pursuant to the FERC and the North American Electric Reliability Corporation (NERC) guidelines; including, markets, pricing, allocation of cost structures, contracts, tariffs, interconnections, transmission planning processes, and other related economic, engineering, and legal issues;
- E. Registered Holding Companies subject to the jurisdiction of the SEC and FERC;
- F. Interstate natural gas pipeline and local distribution company (LDC) system design and planning, management auditing, rate design, cost of service, policies for provision of service and related reliability issues, finance and accounting matters; including expert testimony and litigation before the FERC, state, and local regulatory authorities as well as in court;
- G. The integration of demand-side management (DSM) measures in the resource mix of a regulatory utility within or outside of Integrated Resource Plan (IRP) processes, incorporating energy efficiency or conservation programs; diverse renewable generation; the development, application and administration of electric utility net metering regulations and standards; advanced metering infrastructure; and decoupling; and other innovative measures to supplant reliance on fossil fuel generation;
- H. Investor-owned utility mergers and acquisitions and inter-affiliate transaction issues, including regulatory jurisdiction and tax implications, codes of conduct, and principles of cost allocation for service provided by affiliates to regulated utilities;
- I. Knowledge and experience with electric or gas utility disaster recovery.
- J. Municipalities' acquisition of local distribution facilities.;

- K. NERC's and Regional Reliability Entities' (RRE) standards and requirements, FERC and NERC penalty processes, and the NERC and RRE audit processes; and
- L. The fostering of economic development in utility ratemaking, economic development incentives, and commercial and industrial expansion / relocation.
- M. State and Federal environmental rules, regulations, and litigation that impact the construction, operation and dispatch of electric generating units.
- IV. A description of three or more assignments which best illustrate the respondent's current qualifications relevant to the areas requested in this RFQ, including samples of work product and / or testimony.
- V. Demonstrated ability to provide coverage for City Council matters when the principal consultant is unavailable because of other assignments, illness, vacation or similar conflicting demands.
- VI. A sworn affidavit listing all persons with an ownership interest in the respondent. An "ownership interest" shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that hold an interest in a publicly traded corporation. The affidavit is a public record.
- VII. A sworn affidavit that no other person holds an ownership interest in the respondent via a counter letter.
- VIII. A list of all persons, and/or firms, who are retained by the respondent at the time of the application and/or who are expected to perform work as sub-contractors in connection with respondent's work.
- IX. A list of professional labor fees for all personnel included in the respondent's response to this RFQ and any others in respondent's firm who may be called upon to perform work related to this RFQ, and a clear and concise statement that such professional labor fees throughout the contract term will be the most cost efficient and will not exceed the lowest professional labor fee for similarly situated clients of the firm.

Potential Conflict of Interest

Any firm providing a response to this RFQ shall disclose the following:

- I. Work performed in ratemaking, utility accounting, cost allocation, transmission access, reserve sharing and energy pool dispatch, acquisition and merger proceedings, and/or litigation for an Investor Owned Utility operating within the boundaries of MISO, the Southwest Power Pool (SPP), or PJM Interconnection LLC (PJM) the past five years.
- II. Any work performed for any industrial, commercial or residential ratepayer (or groups and associations thereof) in Orleans Parish or in the service area of any of Entergy's operating subsidiaries, currently and in the past five years, on electric and natural gas matters.
- III. Any work performed for any other regulator of Entergy Corporation and/or Entergy and/or any of Entergy's operating subsidiaries.
- IV. Any prior or existing services not listed above being provided to any utility-related government entities, including but not limited to public service commissions, RTOs, regional power pools, etc., operating within the boundaries of MISO, the Southwest Power Pool (SPP), or PJM Interconnection LLC (PJM) within the last five years.
- V. Any work performed (whether compensated or not) on behalf of any Councilmember, the City Council or the City of New Orleans within the past five years.
- VI. Any work performed for independent power producers, or power marketers who have sold or offered to sell power, or power material suppliers, to any of Entergy's operating subsidiaries within the past five years.

For any such work performed, the respondent shall indicate the scope of the engagement, the time frame, the amount of compensation received and why the respondent deems such work to be or not be in conflict with the interests of advising or representing the Council or its committees in utility regulatory matters. The Council shall make the final decision as to whether any conflict exists.

Evaluation Criteria

Upon receipt by the due date of responses to this RFQ by qualified firms, the Council's staff Selection Review Committee will evaluate all responses received based upon the criteria listed herein and in Council Rule 45, a copy of which is attached. Particular emphasis will be placed on the following criteria:

- I. Experience of the Key Personnel and other professional personnel in the utility regulatory field and demonstrated ability to provide cost effective services to the Council.

- II. Quality of work samples presented.
- III. Clear understanding by the applicant of work to be performed.
- IV. Capability and experience in providing consistent, timely and cost-effective services, as determined by information requested from references or the Council's actual experiences.
- V. Cost based on hourly rates of consultants at various levels of expertise and experience.
- VI. Involvement at the professional level of certified disadvantaged business enterprises
- VII. Support and insight into ways to increase CURO's size and scope of work, to minimize the cost of regulation, to strengthen the Council's in-house utility regulatory functions, and to build institutional knowledge in-house.
- VIII. Use of local resources.
- IX. Willingness to accept a "not to exceed cost" for annual charges and work creatively to meet or fall short of that amount, while performing all needed regulatory functions.

RFQ Process

Except as provided hereinbelow, no written, electronic or oral communications from any actual or potential proposer or responder to this RFQ or anyone acting as agent or representative for such person shall be made to any Councilmember, city employee or Council staff person during this Request for Qualifications process, which is the Blackout Period. The Blackout Period is a specified period of time during this competitive RFQ process in which any actual or potential proposer or responder or their/its agent or representative, is prohibited from communicating with any City Councilmember, Council staff person, or City of New Orleans employees regarding any matter related to the RFQ process. All communications to and from any actual or potential proposer or responder and/or their/its agent or representative during the Blackout Period must be in accordance with this RFQ's defined method of communication with the designated contact person. The Blackout Period will begin upon posting of this RFQ. The Blackout Period will end when the contract is awarded.

Any and all inquiries may only be made in writing to the Director of the City Council Utilities Regulatory Office, Room 6E07, City Hall, 1300 Perdido Street, New Orleans, LA 70112 or wstrattonjr@nola.gov. In addition, questions may be asked at pre-proposal conferences which will be conducted by one or more members of the Selection Review Committee. **It is mandatory for respondents to attend at least one pre-proposal conference.** Pre-proposal conferences will be held on Thursday, August 4, 2016 at 2:00 p.m. and on Monday, August 15,

2016 at 10:00 a.m. The meetings will be held at Room 2W16 or such other room as may be available at City Hall, 1300 Perdido Street, New Orleans, LA 70112.

Fifteen (15) copies of the submission, including samples of work products, must be submitted in hard copy form by 3:00 p.m. on Thursday, September 1, 2016, to the City Council Utilities Regulatory Office, Room 6E07 City Hall, 1300 Perdido Street, New Orleans, LA 70112. Where possible, an electronic version of the proposal should also be submitted to pthomas@nola.gov and wtstrattonjr@nola.gov.

A staff Selection Review Committee composed of the Council Chief of Staff, the Council Research Officer, the Council Fiscal Officer, the Council Utilities Regulatory Office Chief of Staff and/or additional knowledgeable persons appointed by the Council Chief of Staff pursuant to Council Rule 45 will review and evaluate the submissions, and select qualified proposals for referral to the UCTTC. For each submission selected for referral, the staff committee will contact one or more of the persons suggested as references.

The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation committee relating to the procurement of goods or services by the city, including meetings involving third party transactions. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four hours prior to the scheduled meeting. The Inspector General may attend all city meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio recorder or court stenographer may be utilized to record all selection or negotiation committee meetings attended by the Office of the Inspector General.

The report of the staff committee will be provided to the UCTTC. The UCTTC shall interview one or more of the respondents selected by the staff committee. The UCTTC may make a recommendation to the City Council. The contractor must be selected by Motion of the Council.

Length of Contract

All contracts are for a 12-month period. However, the Council may renew the contract for four additional 12-month periods, assuming continuing need for the services and mutual satisfaction. Each respondent is to include in its submittal a clear and concise statement of those personnel and firm resources for which it is willing and can commit to make available for the Council's regulatory activities during such period.

Additional Information

1. The City of New Orleans is not liable for any costs incurred prior to entering into a formal written contract. Any costs incurred in the preparation of the statement, interview, or other pre-contract activity are responsibility of the person submitting the statement.
2. All submissions become the property of the City and as such are public information.

3. The contractor will invoice the City Council on a monthly basis in accordance with specified billing guidelines during the term of the contract. Work shall be billed in increments of one-tenth of an hour.
4. Any contract awarded shall contain a provision that:
 - a. Any subcontractor proposed to be retained by the respondent to perform work on the contract with the City Council must be approved by Motion of the Council. The Council may require information on ownership interests in the sub-contractor prior to approval of the sub-contractor's retention.
 - b. Unless otherwise approved by the Contracting Officer of the City Council or CURO, reimbursable expenses shall be limited as follows: air transportation limited to coach fares; lodging expenses not to exceed federal per diem rates for hotels in New Orleans, to the extent achievable without official government identification for personnel; postage; overnight delivery or courier services at contractor's actual cost except if used for submission of contractor's invoices said charge shall not exceed the cost of mailing same; long distance and conference call telephone charges at the contractor's actual cost; copies at \$0.10 per page; computerized research at contractor's actual cost.
 - c. When the attendance of contractor is requested at meetings of the Council, meetings of the UCTTC, meetings with Councilmembers and/or Council staff, proceedings at a court or regulatory body, meetings with ENO, meetings with parties to regulatory or court proceedings other than ENO, and/or meetings with the public, the Council will only provide labor fee and expense reimbursement for one consultant from any applicable firm, unless otherwise specifically approved by the Contracting Officer of the City Council or CURO.
 - d. Key Personnel assigned may not be replaced without consent of the Contracting Officer of the City Council or CURO.
5. Section 2-1120 of the Code of the City of New Orleans, relative to the Office of the Inspector General provides in part as follows:

With the exception of those contracts specified in subsection (1) of this paragraph, every city contract and every contract amendment where the original contract does not include this statement, and every bid, proposal, application or solicitation for a city contract, and every application for certification of eligibility for a city contract or program shall contain the following statement:

"It is agreed that the contractor or applicant will abide by all provisions of City Code § 2-1120, including, but not limited to, City Code § 2-1120(12), which requires the contractor

to provide the Office of Inspector General with documents and information as requested. Failure to comply with such requests shall constitute a material breach of the contract. In signing this contract, the contractor agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena."City Code Sec. 2-1120. – Office of inspector general.

Consulting Services Questionnaire

1. Project name
2. Date Submitted
3. Specify type of ownership and indicate if applicable:

_____ Private corporation _____ Public corporation _____ Proprietorship
_____ Partnership _____ Small business _____ Minority owned business
_____ Woman owned business _____ Limited Liability Company

4. Firm or Joint Venture contact information
 - 4a. Firm (or joint venture) name, mailing address, telephone number
 - 4b. Firm(s) owners
 - 4c. Name, title, telephone, and email address of principal to contact
 - 4d. Name, title, telephone, and email address of proposed project manager
5. Full time personnel assigned to project

Number	Position/Title	Hourly rate of Pay

6. Is submittal a joint venture
 - a. If so, has joint venture worked together before?
 - b. If a joint venture, name of lead firm.

7. Summary of professional services fees received in (insert index number)

2014	2013	2012	2011	2010
()	()	()	()	()

Use index below:

Index

- | | |
|-------------------------------|-------------------------------|
| 1. Less than \$250,000 | 4. \$3,000,000 to \$6,000,000 |
| 2. \$250,000 to \$1,000,000 | 5. \$6,000,000 or greater |
| 3. \$1,000,000 to \$3,000,000 | |

8. Brief resumes of key persons anticipated for this project. Please indicate male/female, minority/majority and parish or county and state of domicile.

- a. Name and title
- b. Project assignment
- c. Name of firm by which employed full time and location of office.
- d. Years of experience with this firm
With other firms in the New Orleans market _____
- e. Highest Academic Degree: _____ Year received _____
- f. Names of public officials, political candidates and/or public agencies, especially in Louisiana for which the firm has provided service since August 1, 2011, with dates of the service and brief description of the service provided.

9. Work by firm(s) personnel members to be assigned to this job which best illustrates current qualifications relevant to this project (list not more than 5 projects including experience with government issues).

- a. Project Name & Location and Owner(s) Name
- b. Project Description
- c. Nature of Firm(s) Responsibilities
- d. Completion Date (Actual or Estimated)

e. Estimated Fees for Entire Project

10. Provide any additional information or description of resources supporting your firm(s) qualifications for the proposed project.
11. Provide four references including name/title, phone number and address. References must exclude City Councilmembers, Council Staff; City of New Orleans Employees; agents, employees or representatives of Entergy or any Entergy subsidiary or affiliate, and agents, employees or representatives of Intervenors in any open Council utility dockets.

**COMPETITIVE SELECTION PROCESS FOR
PROFESSIONAL SERVICES CONTRACTS**

Rule 45. Pursuant to Section 6-308 (5) (c) of the City Charter, contracts for professional services to be administered by the Council shall include but not be limited to the following professions:

- Accountants
- Appraisers
- Architects
- Auditors
- Attorneys
- Economists
- Management Consultants
- Public Relations/Media Consultants
- Real Estate Consultants
- Telecommunications Consultants
- Utilities Regulatory Consultants

The following process shall be followed for retention of consultants with expertise in a field as required by the Council for all contracts at or above the threshold amount established by Section 2-7 of the City Code:

1. Upon determination by a majority vote of the entire membership of the City Council that the services of a professional are needed, a Request for Qualifications (RFQ) or Request for Proposals (RFP), as appropriate based on the scope of work to be performed, shall be issued. The Request shall include the deadline for submission of responses. The RFQ or RFP shall additionally require that the person or entity responding to the RFP or RFQ (the respondent) provide the following information:

- A sworn affidavit listing all persons with an ownership interest in the respondent. An "ownership interest" shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that holds an interest in a publicly traded corporation. This affidavit is a public record.
- A sworn affidavit stating that no other person holds an ownership interest in the respondent via a counter letter.
- A list of all persons, natural or artificial, who are retained by the respondent at the time of the application and who are expected to perform work as sub-contractors in connection with the respondent's work for the City Council. The Council may require information on employees or sub-contractors of or ownership interests in the sub-contractor. This list is a public record.

The RFQ or RFP shall additionally advise the respondent that the contract with the City Council shall contain a provision that in regard to any sub-contractor proposed to be retained by the respondent to perform work on the contract with the City Council, the respondent must provide notice to the appropriate Council Committee within thirty (30) days of retaining said sub-contractor. The Council may require information on ownership interests in the sub-contractor.

2. The **Request for Qualifications or Request for Proposals** shall be published at least three times in a 10 day period in the Official Journal by the **Clerk of Council**. The publication may be in brief, if the Request is lengthy, and may be supplemented by letters of inquiry and/or placement of the request in appropriate additional publications.
3. Interested professionals who respond by the deadline date shall be evaluated by the **Selection Review Committee**. If more than five (5) responses are received, the Selection Review Committee shall review all responses but is authorized to eliminate from consideration, if it deems doing so appropriate, all but the five (5) most qualified and responsive respondents.
4. The committee shall establish appropriate evaluation criteria, which may include but not be limited to the following:
 - (a) training and experience with type of task required;
 - (b) appropriateness of plan submitted;
 - (c) capability of contractor to provide staffing and support;
 - (d) knowledge of local conditions;
 - (e) ability to provide the work in the time period required, as evidenced by past performance and current workload;
 - (f) involvement of members of disadvantaged groups at the professional level;
 - (g) participation by persons living and/or working in New Orleans at a professional level;

- (h) the need for continuity of services and/or specialized and institutional experience and knowledge.
- (i) For RFP's, cost of services to be provided. (M-07-277, Adopted, As Amended, 7/26/07); (M-07-413, Adopted, 10/4/07)

5. **The Selection Review Committee** shall forward to the Council Committee under whose jurisdiction the subject matter of the contract falls, if any, a list of up to five top respondents, with an analysis of each respondent's compliance with each criterion. If there is no such Council Committee, the list shall be forwarded to the entire Council.
6. **The Council Committee**, or the Council, if there is no specific committee, may choose one of these respondents and negotiate a proposed contract, including a scope of work to be performed. If a proposed contract cannot be negotiated with the firm/individual initially chosen, one of the other firms/individuals submitted by the Selection Review Committee may be chosen; and a proposed contract negotiated.
7. **The Council Committee** may recommend to the City Council its choice of the firm/individual. The Council, by a majority vote of its entire membership and by motion, may accept or reject the Council Committee's recommendation and choose one of the other firms/individuals submitted by the Selection Review Committee to the Council Committee. If the Council does not choose one of the firms/individuals submitted by the

Selection Committee, the selection process shall begin again. In the absence of a Council Committee, this same process shall be followed by the City Council. (M-96-106)

8. The **Selection Review Committee** shall consist of the **Council Chief of Staff, the Council Research Officer and either the Council Fiscal Officer or the Director of Council Utilities**, depending on the type of professional service to be performed. The Council, responsible committee, or Chief of Staff may invite additional knowledgeable persons to participate as member(s) of the Selection Review Committee when particular expertise would be helpful in the evaluation process. The Selection Review Committee shall conduct its meetings in accordance with the Louisiana Public Meetings Law, R.S. 42:4.1, *et seq.* (M-07-413, Adopted, 10/4/07); (M-08-380, Adopted, 2/5/09)

9. **Exceptions** from this Competitive Selection process shall be made for:
 - (a) Professional services contracts for an individual Councilmember's Office.
 - (b) Annual Audit, for which requests for qualifications shall be sent to "Big Four" accounting firms with local offices. (M-07-413, Adopted, 10/4/07)
 - (c) Emergency situations in which a majority of the entire membership of the Council by motions determines that there is an immediate need for a specific contract and that there is not sufficient time to go through the Competitive Selection Process. Emergency situations may include, but are not limited to, legal actions to which action or response is needed or required in 30 days or less or emergency situations as defined in LA. R.S. 38:2211 A (6). (M-96-105) In those emergency instances, where there are available at least 10 working days but not the 30-35 days required for an

RFQ/RFP process, an informal process consisting of solicitation of firms/individuals and a shortened review process shall be followed.

- (d) Any contracts in existence prior to January 1, 1996 for:
- Renewal or extension of the contract, when continuity of service is essential;
 - Amendments to such contracts that may expand but do not materially alter the scope of services and for which specialized and institutional experience and knowledge are required. (M-07-413, Adopted, 10/4/07)

The Council, by majority vote of its entire membership, shall determine

which contracts are eligible for **exemption** under this sub-paragraph.
(Substitute M-96-29, Adopted, As Amended 2/15/96); (M-07-413, Adopted, 10/4/07)

- (e) The Council may by motion authorize the amendment of a contract that was under the monetary threshold for use of the competitive selection process to increase the maximum compensation or modify the scope of services if justified by a need to ensure continuity of services for the performance of work related to the original scope of services if the proposed amendment satisfies one or more of the following criteria: (M-07-413, Adopted, 10/4/07)
- 1) the increase in scope of work adds a task which can best and most efficiently be performed in a timely and effective manner by a contractor having knowledge and experience gained during performance of the scope of the existing contract;
 - 2) the increase in scope of work adds a task which is essential to completion of the original scope of work but could not reasonably have been anticipated when the original scope was developed;
 - 3) the increase in compensation is needed because the time required to complete the original scope of work exceeded the original estimate, which was reasonable based upon the information available to the Council and its consultant at the time the compensation was agreed upon.
 - 4) the Council may authorize no more than three such amendments to any individual contract. (M-04-236, As Amended, As Corrected, 5/20/04)